

907 KAR 1:039. Hearing Program reimbursement provisions and requirements.

RELATES TO: KRS 205.520, 334.010, 334.040, 334.200, 334A.020(5), 42 C.F.R. 447.200, 204

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3)

NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family Services, Department for Medicaid Services, has responsibility to administer the Medicaid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law to qualify for federal Medicaid funds. This administrative regulation establishes the reimbursement provisions and requirements for covered audiology services, hearing instruments, and related items provided to a Medicaid recipient who is not enrolled with a managed care organization.

Section 1. Definitions. (1) "Audiologist" is defined by KRS 334A.020(5).

(2) "CPT code" means a code used for reporting procedures and services performed by medical practitioners and published annually by the American Medical Association in Current Procedural Terminology.

(3) "Department" means the Department for Medicaid Services or its designee.

(4) "Federal financial participation" is defined by 42 C.F.R. 400.203.

(5) "Healthcare Common Procedure Coding System" or "HCPCS" means a collection of codes acknowledged by the Centers for Medicare and Medicaid Services (CMS) that represents procedures or time.

(6) "Hearing instrument" is defined by KRS 334.010(4).

(7) "Managed care organization" means an entity for which the Department for Medicaid Services has contracted to serve as a managed care organization as defined in 42 C.F.R. 438.2.

(8) "Medically necessary" means that a covered benefit is determined to be needed in accordance with 907 KAR 3:130.

(9) "Participating audiologist" means an audiologist who:

(a) Is enrolled in the Medicaid Program pursuant to 907 KAR 1:672;

(b) Is currently participating in the Medicaid Program pursuant to 907 KAR 1:671; and

(c) Meets the audiologist requirements established in 907 KAR 1:038.

(10) "Participating specialist in hearing instruments" means a specialist in hearing instruments who:

(a) Is enrolled in the Medicaid Program pursuant to 907 KAR 1:672;

(b) Is currently participating in the Medicaid Program pursuant to 907 KAR 1:671; and

(c) Meets the specialist in hearing instruments requirements established in 907 KAR 1:038.

(11) "Recipient" is defined by KRS 205.8451(9).

(12) "Specialist in hearing instruments" is defined by KRS 334.010(9).

(13) "Usual and customary charge" means the uniform amount that a provider bills to the general public for a specific covered benefit.

Section 2. General Reimbursement Requirements. (1) For the department to reimburse for a service or item, the requirements of 907 KAR 1:038, Section 2, shall be met.

(2) The department shall not reimburse for:

(a) A service with a CPT code that is not listed on the Department for Medicaid Services Hearing Program Fee Schedule; or

(b) An item with an HCPCS code that is not listed on the Department for Medicaid Services Hearing Program Fee Schedule.

Section 3. Audiology Service Reimbursement. The department shall reimburse a participating audiologist for an audiology service at the lesser of the:

- (1) Audiologist's usual and customary charge for the service; or
- (2) Reimbursement established on the Department for Medicaid Services Hearing Program Fee Schedule for the service.

Section 4. Hearing Instrument Reimbursement. (1) The department shall reimburse a participating specialist in hearing instruments or participating audiologist for a hearing instrument at the lesser of the:

- (a) Provider's usual and customary charge for the hearing instrument; or
- (b) Reimbursement established on the Department for Medicaid Services Hearing Program Fee Schedule for the hearing instrument.

(2) A hearing examination of a recipient by a physician and a recommendation for a hearing instrument for the recipient by an audiologist shall:

- (a) Be required for the department to cover a hearing instrument; and
- (b) Occur prior to the fitting of a hearing instrument.

(3)(a) Except for an ear mold, an invoice for a hearing instrument, related supply, or accessory shall be submitted with the corresponding claim:

1. To the department; and
2. By the participating audiologist or participating specialist in hearing instruments who supplied the hearing instrument, related supply, or accessory.

(b) The department shall not require a participating audiologist or participating specialist in hearing instruments to submit an invoice for an ear mold.

Section 5. Ear Mold Reimbursement. (1) The department shall reimburse a participating audiologist or participating specialist in hearing instruments for an ear mold at the lesser of the:

- (a) Provider's usual and customary charge for the ear mold; or
- (b) Reimbursement established on the Department for Medicaid Services Hearing Program Fee Schedule for the ear mold.

(2) The department shall limit reimbursement for an ear mold, in conjunction with an ear examination, to:

- (a) One (1) ear mold per six (6) month period for a child aged three (3) years or under; or
- (b) One (1) ear mold per twelve (12) month period for a child who is at least four (4) years of age.

Section 6. Reimbursement for Hearing Instrument Batteries. (1) The department shall reimburse a participating audiologist or participating specialist in hearing instruments for a hearing instrument battery at the lesser of the:

- (a) Provider's usual and customary charge for the hearing instrument battery; or
- (b) Reimbursement established on the Department for Medicaid Services Hearing Program Fee Schedule for the hearing instrument battery.

(2) The department's reimbursement for hearing instrument batteries shall be limited to fifty-two (52) batteries per hearing instrument when dispensed with a:

- (a) New hearing instrument; or
- (b) Replacement hearing instrument.

Section 7. Replacement Cord Reimbursement. The department shall reimburse a participating audiologist or participating specialist in hearing instruments for a replacement cord at the lesser of the:

- (1) Provider's usual and customary charge for the replacement cord; or
- (2) Reimbursement established on the Department for Medicaid Services Hearing Program Fee Schedule for the replacement cord.

Section 8. Hearing Instrument Repair Reimbursement. The department shall reimburse a participating audiologist or participating specialist in hearing instruments for hearing instrument repair at the lesser of the:

- (1) Provider's usual and customary charge for the hearing instrument repair; or
- (2) Reimbursement established on the Department for Medicaid Services Hearing Program Fee Schedule for the hearing instrument repair.

Section 9. Not Applicable to Managed Care Organizations. A managed care organization shall not be required to reimburse the same amount as established in this administrative regulation for a service or item covered pursuant to 907 KAR 1:038 and this administrative regulation.

Section 10. Federal Approval and Federal Financial Participation. The department's reimbursement for services pursuant to this administrative regulation shall be contingent upon:

- (1) Receipt of federal financial participation for the reimbursement; and
- (2) Centers for Medicare and Medicaid Services' approval for the reimbursement.

Section 11. Appeals. A provider may appeal a department decision as to the application of this administrative regulation in accordance with 907 KAR 1:671.

Section 12. Incorporation by Reference. (1) The "Department for Medicaid Services Hearing Program Fee Schedule", December 2013, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department for Medicaid Services, 275 East Main Street, Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m. or online at the department's Web site at <http://www.chfs.ky.gov/dms/incorporated.htm>. (2 Ky.R. 110; eff. 9-10-1975; 11 Ky.R. 659; eff. 11-13-1984; Recodified from 904 KAR 1:039, 5-2-1986; 17 Ky.R. 572; eff. 10-14-1990; 25 Ky.R. 1255; 1661; eff. 1-19-1999; 34 Ky.R. 1823; 2112; eff. 4-4-2008; 40 Ky.R. 1951; 2716; eff. 7-7-2014; Crt eff. 12-6-2019; TAm eff. 3-20-2020.)